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MEMORANDUM FOR: See Distribution

FROM: [redacted], C/EURA/WE;
[redacted] DO/EUR, [redacted]25X1
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25X1SUBJECT: 15 October Meeting with Eric Melby, State,
Concerning Venice Economic Summit

1. Eric Melby, Special Assistant to Under Secretary Wallis, will be State's action officer for the Venice Economic Summit, replacing Scott Brown who has gone to the IMF. We discussed with Melby the preparatory meeting of the Sherpas held in Taormina, Sicily on October 11-12, 1986, CIA support for the Summit, and several subjects that the US will push at the Summit and in other fora.

2. There are no changes in the Sherpas, who include:

US -- Allen Wallis
UK -- Sir Robert Armstrong
FR -- Jacques Attali
FRG -- Hans Tietmeyer
IT -- Rinaldo Ruggiero
CA -- Sylvia Ostry
JR -- Reischci Teshima
EC -- Pascal Lamy

3. There was no apparent reason for such an early Sherpa meeting except for Ruggiero's planning. Ruggiero's discussion paper for the meeting met with particular criticism from Assistant Secretary Mulford who suggested that discussion of macroeconomic issues be postponed until the first substantive meeting when all members of the Sherpa team would be present. As a result, according to Melby, there was little discussion of substantive matters at the meeting.

4. The timing of the Economic Summit is still not definite. The proposed dates of 7-9 June did not fit with Thatcher's schedule and overlapped a scheduled NATO foreign ministers meeting planned for 8-9 June. Now under consideration at the White House is 14-16 June.

5. While it was too early to identify specific Summit issues at the Sicily meeting, Melby expected that many of the same issues will be on the list again but added that the US intends to push agriculture (also in the OECD). In

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addition, the US may try to get a strong pro-nuclear statement.

6. Schedule of upcoming meetings:

4 - 6 February -- Second Preparatory Meeting
(Florence)

9 - 10 April -- Interim Committee and Development
Committee meetings (Washington)

24 - 26 April -- Third Preparatory Meeting (Porto
Cervo, Sardinia)

12 -13 May -- OECD ministerial meeting (Paris)

15 -17 May -- Fourth Preparation Meeting (Stra,
outside Venice)

7. Melby expressed interest in DI analytical support and agreed to meet with us for further discussions. He noted that Under Secretary Wallis is particularly interested in how French views of the Summit process will change as Chirac undoubtedly exerts his influence. He will welcome reporting and analysis of differences between Mitterrand and Chirac on Summit issues and is also interested in how the Italian government will shake out given Craxi's promise to step aside.



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